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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

M03710043
TASK 2579

December 4, 2008

Frank Filas, Environmental Manager
Energy Fuels Resources
44 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Review of Mine Plan Amendment Received August 18, 2008, M037043, Energy Fuels Resources Corp., Energy Queen (formerly Hecla Shaft), Task 2579, San Juan County, Utah

Dear Mr. Filas:

The Division has completed a review of your Application for Mineral Mine Plan Amendment for the Energy Queen Mine, located in San Jaun County, Utah, which was received August 18, 2008. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using **redline and strikeout** text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5261, Lynn Kunzler at 801-538-5310, Tom Munson at 801-538-5321, or Wayne Western at 801-538-5263.

Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:tm:vs
Task # 2579

Attachment: Review

cc: Rick Bailey, County Administrator, San Juan County, P.O. Box 9, Monticello, UT 84535
P:\GROUPS\MINERALS\WP\M037-SanJuan\M0370043-Hecla (EnergyQueen)\final\REV1-12022008.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
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REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Energy Fuels Resources
Energy Queen Mine

**M037/043
December 4, 2008**

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	Figure SWWWP-3	Please add to this figure the locations of ditches, swales, rip rap inlets and outlets, check dams, earthen berms, etc., which route drainage around waste rock piles, topsoil piles, facility areas etc. This figure provides the generalized storm water flow direction, and the SWPPP plan describes most storm water flow as overland flow. It would be beneficial to show the location of the discharge points related to the ground water discharge permit. This should include the location of potential overflow points from the sediment pond, contingency pond, and untreated water pond. A lot of this detail regarding these ponds is found in appendix E, but it would be helpful to summarize this information by putting this it on a more generalized figure.	tm	

106.1 Nature of materials mined, waste and estimated tonnages

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
2		Please state the estimated annual tonnage of ore and waste material that will be generated.	whw	

106.2 Location & size of ore, waste, tailings, ponds

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3		Please show the maximum storage capacity of the waste rock site and the ore pad.	whw	

R647-4-110 - Reclamation Plan

110.4 Description or treatment/disposition of deleterious or acid forming material

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4		The plan at reclamation is to ship all ore to a mill. If the Permittee were to forfeit the bond then the Division would have to reclaim the site. If the bond was forfeited then most likely there would not be a market for the ore. The Permittee should come up with an alternative plan for reclamation. The alternative plan would identify an area where the ore could be deposited on site.	whw	

110.5 Revegetation planting program

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5		Please state what roads will be reclaimed and what roads will be retained for post mining land use.	whw	
6	23	If broadcast seeding is done each day after ripping, there is no need to rake seed. This is preferred as well since it will leave the surface in a more roughened condition, which aids in holding precipitation on site and improved vegetation establishment.	lk	
7		It is unlikely that the seed mix for revegetation identified in the revised plan would provide for a permanent diverse cover capable of supporting the post mining land use. The attached seed mix was recommended for this area in 2000. It is suggested that you plan to use this mix, or provide a similar mix with a diversity of forbs, grasses and shrub species.	lk	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
8		<p>Please include the following: • The dimensions of each structure, the foundation and the types of materials used for construction, • The location where demolition debris will be sent, • The amount of topsoil/growth medium that will be placed, and haul distances, • The amount of backfilling and grading materials and haul distances and type of equipment that will be used, • The vegetation costs must be included, • The source for plugging wells. Means changed reference numbers so those for 2004 are not valid. Costs must be from 2008 or 2009 sources.</p> <p>Once the Division determines the reclamation cost estimate they will give the Permittee a copy that must be placed into the mine plan.</p>	whw	

Recommended Revegetation Species List
for

Energy Fuels Resources Corp.
Energy Queen Mine
M/037/0043

<u>Common Name</u>	<u>Species Name</u>	<u>*Rate lbs/ac (PLS)</u>
Hycrest crested wheatgrass	<u>Agropyron cristatum</u>	0.5
Luna pubescent wheatgrass	<u>Agropyron tricophorum</u>	1.5
Paiute orchard grass	<u>Dactylis glomerata</u>	0.5
Boizoisky russian wildrye	<u>Elymus junceus</u>	1.0
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2.0
Ladak alfalfa	<u>Medicago sativa</u>	1.0
Yellow Sweetclover	<u>Melilotus officinalis</u>	0.5
Palmer penstemon	<u>Penstemon palmerii</u>	0.5
Small burnett	<u>Sanguisorba minor</u>	1.0
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u>	0.2
4-wing saltbush	<u>Atriplex canescens</u>	2.0
Rubber Rabbitbrush	<u>Chrysothamnus nauseosus</u>	0.5
Forage Kochia	<u>Kochia prostrata</u>	0.5
Total Seed		11.7 lbs/ac

* Rate is recommended for broadcast seeding.

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